

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

v.

DAVID S. SARGENT, and  
CHRISTOPHER M. KLUNDT,

Defendants.

Case No. 22-cv-168

Honorable LaShonda A. Hunt

**JOINT STATUS REPORT**

Pursuant to the Court's August 27, 2024 Minute Entry (Dkt. No. 66), Plaintiff United States Securities and Exchange Commission ("SEC") and Defendants David S. Sargent ("Sargent") and Christopher M. Klundt ("Klundt"), respectfully submit the following Joint Status Report.

This case has been stayed pending resolution of the related criminal matter. The Government's appeal of the oral ruling granting Defendant Sargent's Motion for Judgment of Acquittal, or Alternatively for a New Trial Motion, remains pending. *U.S. v. Sargent*, No. 24-1102 (7th Cir.).

The SEC and Sargent have agreed to a settlement in principle, which is subject to the approval of the five-member Commission after review by various divisions within the SEC. The Commission's internal process for considering proposed settlements typically takes a matter of weeks. The SEC will promptly advise the Court once the Commission has considered Sargent's settlement proposal.

The SEC and Klundt are engaged in settlement discussion, which have been stalled due to unforeseen medical issues. Counsel for the SEC and Klundt anticipate concluding settlement discussions soon.

In light of the above, the parties propose extending the current stay for an additional 60 days to conclude settlement discussions.

Dated: October 31, 2024

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